

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



THE Agricultural Situation

AUGUST 1952

Volume 36 Number 8

	Page		Page
The 20-Year Rise in Crop Yields Per Acre-----	2	Advantages of Location in Marketing Live Poultry-----	9
Egg Marketing in the South-----	4	Outlook Highlights-----	9
Changes in Marketing Western Feeder Cattle-----	5	How Are We Doing With Castor Beans?-----	11
Big Part of Lettuce Dollar Goes for Transportation-----	7	Letter to Crop Reporters-----	13
This Year's Farm Output Indicated Big-----	8	Farmers Can Get Loans to Build Storage Space-----	13
		Tours for Grassland Delegates-----	16

[The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work]

A monthly publication of the Bureau of Agricultural Economics, United States Department of Agriculture, Washington, D. C. The printing of this publication has been approved by the Director of the Budget (January 18, 1952). Single copy 5 cents, subscription price 50 cents a year, foreign 70 cents, payable in cash or money order to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

The 20-Year Rise In Crop Yields

CROP YIELDS per acre have risen more in the last 20 years than in any other period during the 86 years for which we have records. There have been moderate up-trends in yields for particular crops in particular areas in particular periods. But these have been offset by declining yields in other areas, crops, and periods, with the result that the average yield per acre for all crops combined for the U. S. as a whole showed no marked up-trend for a period of 64 years—up to 1930 at most. The national average yield may have increased by about 5 percent during the 20-year period 1910 to 1930, but it is the rise since then that is the remarkable feature.

About 1½ million tons of commercial plant nutrients were applied as an annual average during the 1920's, when national yields per acre were relatively stable. It apparently required about a million tons of plant food per year in the 1920's to keep national yields per acre at a stable level.

The level of yields today is approximately 45 percent higher than in 1930, an increase about 9 times as much as in the preceding 20 years. This striking rise in yields shows up not only in the important field crops—corn, wheat, and cotton—but also in the major fruit crops.

Fertilizer Important Factor

Many factors lie behind this revolution in agricultural productivity. More and better machines, hybrid seed corn, improved varieties in other crops, closer planting and other improvements in cultural practices, and the use of fertilizer, lime, and insecticides, are the obvious reasons that come to mind. All of these factors antedate 1930 but they were apparently given a much greater impetus during the past 20 years than during any previous 20-year period.

One of the most important factors contributing to the 45-percent rise in

How Much Fertilizer Will It Pay to Use?

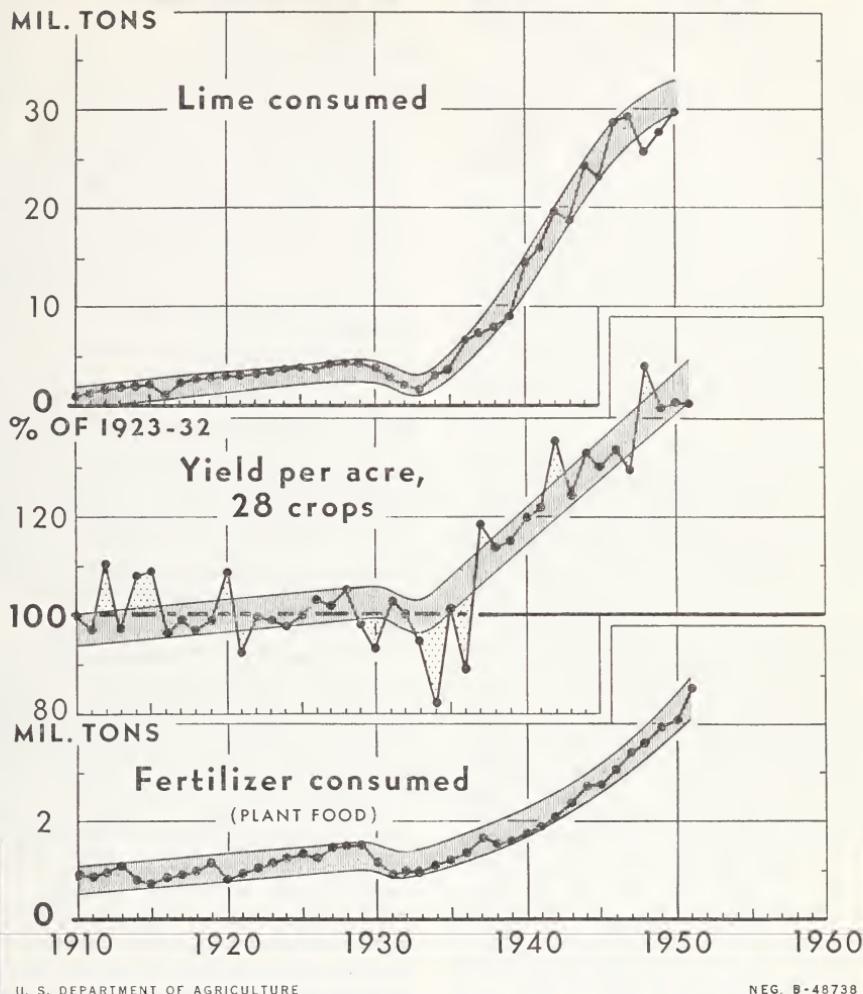
Fertilizers applied judiciously enhance crop yields. The accelerated rate of increase in use of fertilizers during the past decade has, of course, been associated with strong demand and relatively high prices for farm products. Even with this increase in the use of fertilizers, however—except for a few special crops in certain areas—most farmers now apply less than would be most profitable under existing price-cost relationships. A recent study of agricultural production capacity, carried out by the Department of Agriculture, the Land Grant Colleges and the Experiment Stations, indicates that within a 5-year period farmers could profitably increase use of fertilizers by about 70 percent over 1950 levels, if favorable economic conditions continue.

The Bureau of Agricultural Economics, in cooperation with the Bureau of Plant Industry, and the Agricultural Experiment Stations, is now doing some work in determining the most profitable rates and combinations of individual plant nutrients under different physical and economic conditions. Where such determinations can be made they will be useful as guides to farmers in making best use of fertilizers in combination with other productive resources.

yields is the greatly expanded use of fertilizer and lime. Much of this adjustment took place on crops and in areas where little fertilizer had previously been used. But even where use had been common, increased rates per acre, along with other improved practices, have resulted in substantial responses in yields. In 1950 farmers used over 4 million tons of plant food, or three and one-half times as much as the average annual amount for the 10-year period 1923-32. The depression of 1930-32 reduced farmers' purchases of fertilizer; but since then the expansion has been continuous, except for the setback associated with the decline in farm income in 1938.

The influence of fertilizer applications to yields in given plots or on given farms is generally known. These common experiences should also show up in some relationship between fertilizer use for the country as a whole and average yields per acre for the country as a whole. A reasonable degree of correspondence may actually be noted if we isolate the trend in average yields from the extreme fluctuations that occur now and then due to extremes in weather and growing conditions. Over the past 40 years there have been 11 years when the national average yield of 28 crops has been relatively high or low. The yields for the other years (see chart) follow a mod-

U. S. CONSUMPTION OF FERTILIZER AND LIME, and CROP YIELDS



U. S. DEPARTMENT OF AGRICULTURE

NEG. B-48738

erately rising trend from 1910 to 1930, a downturn in the early 1930's, and then a persistent uptrend averaging 2 to 2½ percent per year.

This yield picture roughly parallels the reduced use of fertilizer in 1931-32 and the expansion in fertilizer use since then. It should, of course, be noted that using fertilizer is only one of many practices the extent of which varies with changing economic conditions.

In view of the great expansion in facilities for manufacturing fertilizer and the great expansion in demand that is currently being stimulated through education and sustained buying power, the rising trends in the use of lime and fertilizer and in yields per acre are likely to continue for some time.

Louis H. Bean
Office of the Secretary, USDA

Egg Marketing In the South

FOR MOST rural families in the South, the sale of eggs from their farm flocks adds considerably to the income they receive.

Nine in ten farms in the Southern States now have flocks of chickens, although many flocks are small. In 1945 the average number of chickens per farm, as shown by census figures, was 49 in the 9 Southern States of Alabama, Arkansas, Georgia, Louisiana, Mississippi, South Carolina, Tennessee, Texas, and Virginia. In other regions the number ranged from 83 in the Mountain States to 128 in the Northern Plains.

Producers of eggs in the South are faced with important marketing problems. To learn specifically what these problems are, as they are revealed by present methods, practices, and facilities, a survey was made by the Agricultural Experiment Stations of the above States and the Bureau of Agricultural Economics, United States Department of Agriculture.

Among these problems is the fact that hens lay more eggs in the spring; that is, production of eggs in the South is highly seasonal. In 1948 more than twice as many eggs were sold during March, April, and May as during September, October, and November.

This tendency for hens to lay most of their eggs in spring is found mainly in the smaller flocks. As flocks grow larger, farmers care for and manage them better and thus decrease the seasonal fluctuations in rate of lay.

Learn Better Methods, Study Markets

Most farmers do not have the facilities to take care of this increased spring production of eggs. Readily available markets to take the added eggs are not easy to find. Even if they were, many farmers can't afford to take a trip to market their eggs more than once a week. Eggs kept for as long as a week under ordinary conditions are

RESULTS of this survey, made under authority of the Agricultural Marketing Act of 1946, are reported in Southern Cooperative Series Bulletin 17, *Marketing Eggs at the Producer Level in Nine Southern States*, and Bulletin 18, *Marketing Eggs at the First Buyer Level in Nine Southern States*.



no longer fresh eggs. For these reasons farmers get low prices for their eggs in spring.

Apparently more efficient ways of assembling eggs from local areas in which they are produced are needed.

A second problem arises because producers of eggs do not keep well enough informed in regard to the prevailing local prices for eggs. Such knowledge would help to guide them in choosing the best market.

Usually a flat price per dozen is paid farmers for their eggs. Under this system, a farmer who sells high-quality eggs is penalized and the one who has poor-quality eggs to sell is overpaid. A pricing system that would let producers know the kind and quality of eggs consumers want would encourage them to use better production practices. It would also encourage the use of better handling methods and better marketing practices.

Buyers Have Problems, Too

So much for the producers of eggs! What about the first buyers—the country stores, rolling stores, local produce dealers, and hucksters? What are their problems?

The main difficulty is that most of these buyers operate businesses in which eggs are only a minor item. Usually they pay little attention to handling the eggs. They buy on a current receipts basis, which means that they do not recognize differences in size and quality. Under this system, producers are not encouraged to produce and sell high-quality eggs.

The solution to these problems is not yet in sight. But it would seem that producers and consumers of eggs will have to work together if greater efficiency in the marketing of eggs is to be achieved.

Esther M. Colvin
Bureau of Agricultural Economics

Changes in Marketing Western Feeder Cattle

IN A LARGE segment of the Western region, cash from the sale of range cattle is the most important single source of farm income to livestock producers. The inventory value of beef cattle on farms and ranches in the West on January 1 was close to 3.2 billion dollars.

Cattle sales account for about 75 percent of all Western cash receipts of meat animals and wool, 15 percent being obtained from sheep and wool and 10 percent from the sales of hogs.

A description of long-range adjustments in the marketing of Western feeder cattle is examined in a study recently completed by the *Agricultural Experiment Stations* of the 12 Western States and the *Bureau of Agricultural Economics* under the Research and Marketing Act. The project was sponsored by the Western Livestock Marketing Research Technical Committee.

Emphasis on Younger Cattle—More Local Sales

Comparison of records from the current study with records 30 years earlier indicates there has been a decided trend toward marketing cattle at younger ages and a reduction in the importance of older steers in sales records. In spite of this trend, however, only 29 percent of the some 1,200 operators interviewed in the study sold calves in the marketing years 1948 to 1950. Fifty-four percent still sold yearlings or 2-year-old steers. Sales of 2-year-olds were comparatively few in number, since most producers were found to be selling yearlings. Practically none of the stockmen reported carrying aged steers, 3 or 4 years old, as was common in the 1920's.

Variation between areas within the region and between size groups was wide, with more than 80 percent of the largest operators and a like proportion of those from the sagebrush-grass area selling yearling or 2-year-old steers. The smallest operators and those from the southern plains area sold calves to a greater extent than other groups.

The general trend in decentralization of livestock marketing is apparent from the study. Formerly the bulk of cattle sales was made to terminal public markets, but in recent years local selling—through auction markets and to country buyers—has grown in importance. Range operators having between 25 and 2,000 head sold and delivered nearly two-thirds of their cattle at country points—either to dealers or order buyers or directly to ranchers, farmers, or feeders. This trend toward decentralization is not necessarily bad. To the contrary, in some respects it is advantageous to both buyer and seller. Yet, with the present system of price reporting by live animal grades only at central markets, it is very difficult for the rancher to translate such prices and grades in terms of his own cattle out in the country.

A definite relationship was found to exist between size of operation and proportion of total sales right on the ranch through direct and dealer outlets. Small producers sold a higher proportion of their cattle through auctions and fewer to dealers and to terminal markets. Large operators, on the other hand, sold a higher proportion direct—at country points, to terminal markets, and to dealers.

Big Percentage Sold by Weight

Many years ago most Western range cattle were sold by the head. This, at best, was a very inaccurate basis for determining value. Slaughter cattle have been sold by weight for a long time, but it is more recently that feeder and stocker cattle have been so sold. Eighty-nine percent of the cattle sold in the study were sold by weight. The majority of the remainder were sold by the head or pair, but some few sales were made on the basis of a lump sum for the entire lot. Sales to terminal markets were all made on basis of

weight, as were most sales to auctions. Sales direct to other producers—ranchers, farmers, or feeders—were made by the head to greater extent than sales to other outlets. Calves and cows were frequently sold by the head; steers and heifers almost always by weight. One-fourth of all cattle sold during the year of the study were sold on contract. Ranchers in New Mexico made greater use of this method of sale than those in any other State. Calves were contracted to greater extent than steers, and New Mexico operators sold a higher proportion of their total sales as calves than those from other States.

Hauled by Truck

A quarter century ago almost all range cattle were transported to their destination by rail. Trailing was common and was used to move the animals to the railhead. Today large modern trucks come right to the ranch headquarters, pick up the cattle and haul them to their destination. Trailing is still done to a limited extent, and rail facilities are still used for most of the longer hauls. In the current study, shipments to auctions were found to be made by truck in 94 percent of the cases. Movements to terminal markets were made by rail in 60 percent of the instances. However, about a fourth of the rail shipments to public markets were delivered to the railhead by truck, so trucks played an important part even at this outlet. Of the country sales, trucks were involved in removing more than three-fourths of the animals from the ranch.

Fall marketings were the rule throughout the range area. Seven out of ten cattle were sold during the months of September, October, and November. Sales to terminal markets showed greatest seasonality; sales to auctions, least. By class, 80 percent of the calves were sold in fall, while only 60 percent of the cows were sold in this season.

Out-of-pocket costs for transportation and selling were found to be greater at terminal markets than at either auctions or direct outlets.

It is recognized that the lower costs for transportation and all buying and

Do You Want More Wildlife?

DO YOU OWN LAND that might support some kind of wild birds or wild animals? Maybe you have a spot for a pond—would like to have one, and stock it with fish?

Helpful suggestions for such farm owners will be found in Farmer's Bulletin No. 2035, "Making Land Produce Useful Wildlife." This 29-page illustrated bulletin has just been issued by the *Soil Conservation Service*, U. S. Department of Agriculture.

selling expenses in the country are usually reflected in the prices paid to producers for animals at local points.. To the extent that place utility is added to animals that go through organized markets, the extra marketing costs are justified, and prices for them should be high enough to take care of these extra costs. However, in some few instances (e. g., where there is a strong local demand for stocker or feeder cattle), place utility may be as great at the ranch gate as at the terminal market.

Suggestions given by producers for improving marketing involved transportation and market outlets primarily. Most transportation comments, whether about trucking or railroads, involved some aspect of better service. Cooperation or some sort of group action was suggested by almost one-sixth of the producers interviewed.

Producers said they found it difficult to relate Government price reports published at terminal markets to their own cattle in the country.

To improve the present situation, more complete and meaningful reports, including detailed information on price-grade, weighing, and shrinkage conditions at country points are needed for comparison with similar information at alternative market outlets.

Ira M. Stevens
University of Wyoming

Harold Abel
Bureau of Agricultural Economics

Big Part of Lettuce Dollar Goes For Transportation

Roughly a Fourth of What Pittsburgh Consumer Pays Goes for Shipping,
A Third to Wholesalers, Retailers and Middlemen

TRANSPORTATION charges accounted for more than a fourth of the consumer's dollar spent for lettuce in Pittsburgh, Pa., from December 1949 through June 1950. These charges, which included freight, icing, and Federal transportation tax, took nearly as much of the consumer's dollar as marketing charges for retailing, wholesaling, and brokerage combined.

Data on how the consumer's dollar was divided was obtained by the *Bureau of Agricultural Economics* from a sample of retail stores in Pittsburgh. The study was financed with funds from the Agricultural Marketing Act of 1946.

In the study, a break-down of the distribution of the consumer's dollar was made for two sizes of lettuce—the large size (48 heads per crate) and the smaller size (60 heads per crate). On the large size brokerage charges, wholesale margins, and retail margins combined took 29.9 percent of the consumer's dollar while transportation took 26.7 cents. On the small size transportation took 27.4 cents, while other marketing charges excluding those for shipping point services accounted for 34.9 cents.

Over 90 percent of the near 200,000 heads of lettuce sold in the stores were shipped from California and Arizona. The average shipping charge was \$2.03 per crate. Of this amount, \$1.74 went to freight, 23 cents to icing, and 6 cents for tax. Since the study was made freight charges have increased.

The average wholesale margin was 9.2 cents of the consumer's dollar on the large size and 8.5 cents on the small size. More than half of the sample lots traced through the wholesale mar-

ket were sold directly to retailers by initial carlot receivers and the rest were sold to secondary handlers, who in turn sold to retail stores.

Retail selling prices for the large size averaged around 16 cents per head. This was almost 4 cents higher than for the small size. During the period retail prices were not stable. Retail margins varied considerably within individual stores as well as among stores. The average retail margin for the large size was \$1.45 per crate and for the small size around \$1.80 per crate.

Waste and spoilage while in the hands of the retailers, not including waste from trimming, amounted to over 5 percent of the volume purchased.

Retail stores included in the study were separated into four groups according to buying methods. First, the chain stores that bought mostly in carload lots; second, local chains that bought from initial receivers on the wholesale market; third, independent stores that bought from initial receivers and secondary handlers; and fourth, stores that bought from service wholesalers and trucker jobbers.

Chain stores that did most of their buying in carload lots had the lowest retail margin and sold 38 percent of the lettuce sold by the sample stores. The selling price for lettuce sold by this group of stores was consistently 2 to 4 cents a head less than the price of the other stores. The highest retail margin was obtained by independent stores that bought from initial receivers and secondary handlers. Chain stores that bought from initial receivers on the wholesale market had the second lowest retail margin. They were followed by stores that bought from secondary handlers and trucker jobbers.

Nicholas Kominus
Bureau of Agricultural Economics

This Year's Farm Output Indicated Big

PRESENT prospects are for a record volume of farm output in the United States this year. Farm output in 1952 is expected to be 45 percent greater than in 1935-39 and 4 percent above last year. An all-time high outturn of livestock and livestock products and our second largest total crop production appear in the making. More of the crop production will be available for producing meat, milk and eggs this year because of a further decrease in the number of horses and mules.

These expectations are based chiefly on crop prospects as indicated in the July Crop Report. Changes in weather conditions as the season progresses, of course, may result in a smaller or larger

volume of output than that now expected.

A continuation of the wartime and postwar trends in farm technology keynotes the step-up in farm production. Machinery, fertilizer and other production goods from the nonfarm economy are being used to step up farm output in lieu of increases in farm land and farm labor. New production records are being set with little change in cropland acreage and actually fewer man-hours of farm labor. Farmers in 1952 have more power and machinery with which to work than ever before. Production per man-hour, per acre and per breeding unit of livestock promise to be at, or near, record levels.

Productivity In Agriculture, Indicated 1952 With Comparisons—Indexes, 1935-39 = 100

Item	1935-39	1945	1950	1951	Indicated 1952 ¹
Total farm output	100	129	136	139	145
Food livestock production ²	100	137	138	145	148
Crop production ³	100	121	127	129	135
Farm-produced power ⁴	100	76	50	46	41
Total man-hours of farm work ⁵	100	95	83	86	83
Output per man-hour	100	136	164	162	175
Land used for crops ⁶	100	100	99	101	101
Crop production per acre	100	121	128	128	134
Animal units of breeding livestock ⁷	100	123	115	118	120
Food livestock production per breeding unit	100	111	120	123	123
Volume of farm power and machinery ⁸	100	126	164	171	176

¹ Indications for 1952 based chiefly on July 1952 report of the Crop Reporting Board.

² Dairy products, poultry products, meat animals, wool and mohair.

³ All crop production including production of feed for farm horses and mules.

⁴ Not included in total farm output. Farm-produced power production includes the feed and pasture consumed by horses and mules, and the product added in converting this feed and pasture into animal power.

⁵ In terms of time that would be required by adult males.

⁶ Sum of the estimated acreage from which one or more crops are harvested plus acreage of crop failure and summer fallow.

⁷ All breeding livestock except horses.

⁸ Includes horses and mules.

Advantages of Location In Marketing Live Poultry

WHAT ARE the economic advantages of location in marketing live poultry? What are the factors that vary with the distance poultry is hauled to market?

As 47 percent of the poultry produced in Connecticut is marketed live in metropolitan New York, a study was made under authority of the Agricultural Marketing Act (RMA, Title II) and the Bureau of Agricultural Economics, to find out the advantages moneywise of location near the market. C. J. Zwick and R. A. King, both of Storrs, carried on the study.

Three Major Factors

In marketing live poultry, three major factors vary with distance to market. First of these is shrinkage. Shrinkage increases with distance. Based upon an average price of \$0.29, the shrinkage cost per pound was found to vary from about 1 cent (\$0.012) at 100 miles from market to nearly 2 cents (\$0.016) at 600 miles.

Next come labor inputs. At a wage rate of \$1.00 an hour, the cost of labor varies from \$0.004 per pound for a 100-mile trip to market and back to \$0.008 per pound for a round trip of 1,200 miles.

The third factor is the cost of truck operation. This cost varies as input prices vary. For distances greater than 100 miles from market, fixed costs become small when compared with variable costs. The cost of truck operation increases at approximately a constant rate.

Thus it is seen that poultry-producing areas located near a market have marked economic advantages, so far as marketing costs are concerned. For every increase of 250 miles in distance traveled, the cost of shipping increases approximately a cent a pound. At 600 miles from market, truck costs are about 2½ times those at 100 miles. Costs of shrinkage are 40 percent

higher and costs of labor 75 percent higher. A farmer located a considerable distance from market might, of course, have counterbalancing advantages not mentioned in the report, such as cheaper land and capital investment and availability of lower-priced feeds.

Esther M. Colvin
Bureau of Agricultural Economics

Outlook Highlights

... AUGUST 1952

AN ALL-TIME HIGH output of farm products is likely this year, based on July prospects. Total crop production is expected to be considerably above 1951—feed grains about a tenth larger, wheat crop up a fourth from last year.

Production of livestock and livestock products is expected to total a little above 1951. The larger supplies of farm and food products looked for in the 1952–53 marketing year probably will be accompanied by a continued strong domestic demand but with some reduction from last year in foreign demand.

Consumer incomes here at home are expected to continue to increase moderately over the coming year—prospects for a further expansion in the defense program, and a gradual rise in total demand for goods and services.

The value of deliveries of materials for military procurement and construction in the second quarter rose about a fifth from the previous quarter. Most of the abrupt rise was in the newer and more complicated weapons. Aircraft deliveries are now at a rate about three times that of 2 years ago. But the present rate of delivery is only about two-thirds of the peak rate scheduled for mid-1953.

Civilian employment, after adjustment for seasonal factors, has shown only slight variation during the past fiscal year ending July 1. Average has been about 61 million at work in each of the four quarters.

Prices Received and Paid

Prices received by farmers averaged 292 percent of the 1910–14 average in the first half of 1952. This was slightly below last year's October–December level but was

about the same as in last year's third quarter.

Prices paid for commodities used both in living and in production continued almost unchanged through most of the first half of this year, although production costs dropped in June largely as a result of sharply lower prices for feeder livestock. Farm wage rates, after seasonal adjustment, rose steadily to average 6 percent higher in July this year than a year earlier. The level of prices received and paid by farmers is currently near parity and no material change is in prospect for the rest of the year.

Recent Improvement in Egg Prices

Egg prices rose sharply from mid-June to mid-July. While egg prices received by farmers for the first 6 months of the year had been 18 percent below a year earlier, in July many prices, particularly for the better grades, were up to the comparable levels of 1951. Abnormally hot weather in June, cutting production and at the same time depressing egg quality, was a factor in the price rise. On July 1 rate-of-lay per 100 birds was 4 percent below a year ago.

Dairy Prices

Prices of dairy products at wholesale have been practically steady the past 4 months, with butter showing the most rise. In late July prices were about the same as a year earlier for canned milk, slightly higher for butter, cheese and dry whole milk, and 12 percent higher for dry skim milk. With production and stocks of most items below last year, there may be some seasonal price increases for dairy products.

Production of milk on farms in 1952 is expected to total between 114 and 115 billion pounds. This compares with 115.5 billion pounds produced in 1951.

Corn and Other Feeds

Another year of generally adequate supplies of feed grains and roughages was assured by July crop reports. The supply of all feed concentrates, including grains and byproduct feeds, is estimated on the basis of July conditions at 172 million tons, slightly larger than last year, but a little smaller than the big supplies in the two preceding years.

The 1952 production of feed grains, indicated in July at 125 million tons, is 11 million tons larger than in 1951, and would be adequate to meet prospective domestic and export requirements for 1952-53. It may also permit a small addition to carry-over stocks, which at the beginning of 1952-53 are expected to total about 20 million tons. A hay supply of about 117 million tons is in prospect, about 5 percent smaller than last year.

Livestock and Meat

All signs point to a considerably larger run of cattle to market this fall than last. On July 1, 13 percent more cattle than a year earlier were on feed in the Corn Belt. Some of the increase was young stock not due for market soon, but part was long-

feds ready for early-fall movement. Moreover, more cattle will be marketed off pasture and range this fall than last—how many more will depend on how dry the ranges are.

Hog marketings this fall, on the other hand, will be smaller than last fall.

Processed Citrus

Packers' stocks of Florida canned citrus juices on July 5 were about one-fourth smaller than a year earlier. In contrast, stocks of frozen orange concentrate were nearly a third larger. Movement of this orange product into consumption in May of this year was more than double that of May 1951. At this rate stocks will be at a low level when the new packing season starts in late fall. Output of frozen orange concentrate in Florida in 1951-52 was over 44 million gallons, about 43 percent larger than in 1950-51.

Vegetables for Processing

Lower production of truck crops for commercial processing this year, compared with last, is indicated for snap beans, green peas, and spinach; and seems likely also for green lima beans, beets, and tomatoes. Increased production this year over last appears probable only for sweet corn and cucumbers for pickles, though indications are still incomplete on cabbage for kraut. Current stocks of most canned vegetables are larger than a year earlier. Aggregate supplies of canned and frozen vegetables are deemed adequate to meet demand at rather stable retail prices until the 1952 packs are ready for distribution.

Cotton Situation

Farmers in the Western States this year again increased their proportion of the nation's total cotton acreage—9.1 percent in 1952 compared with 7.9 percent in 1951. Most other States had smaller acreages in cultivation on July 1 than a year ago, with Oklahoma, Arkansas, Missouri, and Texas showing a combined drop of 1,882 thousand acres. The 26,051 thousand acres in cultivation in the U. S. on July 1 was less by 1,866 thousand than a year earlier.

The carry-over on August 1, 1952, was expected to be about 2.4 million bales, slightly larger than on August 1, 1951. Total supply for the 1951-52 crop year was 17.4 million bales—disappearance estimated at 15 million bales.

Disappearance during the 1952-53 marketing season is estimated at 13.3 to 14.6 million bales. This estimate includes domestic consumption of 9.3 to 9.8 million bales and exports of 4 to 4.8 million bales.

On July 17, the President signed the bill which holds the support prices for cotton and other basic agricultural commodities at 90 percent of the parity price through 1954, continues through 1955 the provision that makes effective the higher of the "new" or "old" parity prices and directs that the price of extra long staple cotton be supported.

How Are We Doing With Castor Beans?

DURING the first-half of this century, the United States imported practically all of the castor beans and castor oil that it needed. However, to assure that supplies of this strategic oil would be sufficient to meet defense needs, including requirements for the national stockpile, the Department of Agriculture, at the request of the Munitions Board in 1951, undertook a program to encourage domestic production and procurement of this crop. In addition to guaranteeing farmers a minimum price for their beans, the Department provided harvesting machines on a lease-sale basis.

Crop Below Expectations

Under the 1951 program, 84,000 acres were planted. This included approximately 29,000 acres on irrigated land—mostly in California, but also in Texas, Arizona, and Oklahoma; and 55,000 acres on dry land in Texas and Oklahoma. Total acreage planted was limited largely by the availability of adapted seed. The acreage goal for the 1952 crop was set at 200,000 acres, but latest reports indicate that the goal may not be reached.

It was expected that the acreage planted last year would produce a crop sufficient to yield 20 to 30 million pounds of oil, plus enough selected seed for planting the 1952 crop. However, due primarily to extremely adverse weather conditions, and also to excessive shattering and capsule drop near the end of the season, the crop was far below expectations, probably only enough for 9 million pounds of oil or less.

The 1951 program was open to farmers who entered into contracts with the Commodity Credit Corporation or with the one private company which contracted with CCC. Prices paid farmers for castor beans grown under contract were to be 10 cents per pound, hulled

New and Varied Uses

Castor oil and its derivatives are in demand for military purposes, mainly for use in lubricating oils, special tough nylon plastic coatings for combat communications wire, all-purpose greases and hydraulic fluids. It is also used as a plasticizer in the manufacture of military fabrics and explosives. The largest single use of castor oil, after dehydration, is as a varnish oil in protective coatings. Other uses are in the manufacture of artificial leather, nylon plastic bristles, printing inks, in dyeing fabrics, cosmetics, and for medicinal purposes.

basis, or the market price at time of delivery, whichever was higher. Prices actually received by farmers ranged from 10.5 to 12 cents per pound.

Castor beans had been grown commercially in several of the Midwestern States from 1870 to about 1910, when production virtually ceased for several years, probably because of low returns to growers. With processors relying almost entirely on imported beans, crushing plants were shifted from the Midwest to the Atlantic Coast.

Brazil and India are the leading producers and exporters of castor beans. Most of the beans or castor oil used in this country since the mid-1930's came from Brazil. In the last 2 years, however, the United States has imported substantial quantities from India.

Castor beans are found in most tropical and subtropical regions, where they grow wild and also are cultivated. The main factors determining where castor beans can be grown successfully in the United States are: soil types, length of the growing season, moisture supply, and disease.

Castor beans are poisonous to people and livestock and consequently should not be stored with food or feed. Machinery used to process castor beans should not be used for edible seeds. The beans also contain a substance

that causes allergy in some people. The cake obtained from processing (known as pomace) has a high protein content but since it is highly toxic, cannot be used for feed. Although it is possible to detoxify the pomace, costs are prohibitive at the present time. The pomace is valuable as a fertilizer, being especially rich in nitrogen.

How Do They Fit in With Other Crops?

It is too early to determine the effectiveness with which castor beans can compete with other crops. Advances in agronomy may increase its competitive position. Also, acreage allotments on peanuts have been cut drastically in the last few years and the 1952 allotments for Texas and Oklahoma are about 20 percent below their 1950 level. Consequently, considerable land is being made available for other crops. Under these conditions some producers may find castor beans a readily available cash crop comparing favorably with corn and grain sorghums. If acreage allotments for cotton are reimposed at some future date, substantial amounts of additional land would be available for other crops.

Prices of castor beans and oil have dropped in recent months and it appears likely that prices received by domestic growers for the 1952 crop of beans may be closer to the minimum guarantee than they were for the 1951 crop.

The long-term trend in domestic consumption of castor oil has been upward and is likely to so continue in the future. Whether or not domestic castor beans can compete on the open market with imported beans is still to be determined.

Domestic disappearance of castor oil (including additions to stockpile holdings) reached a peak of 174 million pounds in 1951, about 40 percent more than the 1947-49 average and more than double the prewar average. Apparent disappearance in the first 3 months of 1952 was down 36 percent compared with the comparable period the year before. This change reflects

USDA-Bred Vegetables in All-time Top List

THE AMERICAN Seed Trade Association this year selected the best 12 all-time All-America vegetable winners. Special attention was paid to suitability to the home garden. Of the 12, 3 were developed by the U. S. Department of Agriculture and by USDA specialists in cooperation with State workers. The Department's winners: The lima bean *Fordhook 242*, first place; the snap bean *Topcrop*, 6th place; and the tomato *Pritchard*, 8th place. The head lettuce *Great Lakes*, 10th place, was developed jointly by the Michigan Agricultural Experiment Station and the Department.

Less World Butter, More Cheese

CHEESE production, both farm and factory, in the 22 major producing countries for which comparable data are available showed a slight increase in 1951 over 1950, but was about 30 percent greater than prewar. The increase over 1950 reflected the change in the general volume of milk production which was slightly more than maintained. Farm and factory butter production in 1951, on the other hand, declined from a year earlier, and, being considerably less than it was prior to World War II, raises a question as to the likelihood of recovery to prewar levels. Butter production in 21 countries for which comparable estimates are available declined nearly 3 percent from 1950 and was nearly 14 percent less than prewar.

end-use restrictions and a temporary hand-to-mouth buying policy as a result of the recent decline in prices.

Sidney Gershben
Bureau of Agricultural Economics

A Letter TO CROP REPORTERS

WE have been hearing a lot of talk about how good and how bad crop estimates are. Everybody knows that changes take place in the development of a crop during the growing season, so I'm not going to barge into a technical discussion of that subject. Neither do I want to give you the impression that we think we're perfect and that nothing can be done to improve the reports. Frankly, something can be done. And the thing I want to talk to you about wouldn't cost any more money.

Let's take a look at the situation. You all know that farmers were the ones who started this whole crop and livestock reporting service because they felt they needed reliable information. They were just as leery a hundred years ago of the information that was being passed out to them about the size of the crop as you would now be of some glib-tongued fellow who set back the speedometer, and tried to sell you a 1936 car he said "was owned by a poor old lady who couldn't drive it."

Farmers need information they can rely on, and ever since the beginning we have been getting that information from farmers. As a matter of fact, the law says that we *have* to get it from farmers. We think it is pretty good information too. Let's brag a little, you and I. Take cotton, for example, the accuracy of these reports has been improving gradually over a long period of years. Reports on corn and wheat, too, have been improving, as have a lot of the other crop reports.

Now, hold on a minute! Let's not get too satisfied. Let's take a look at one way the reports can be improved. It's simple. As of now, we get back about one out of every three or four schedules we send out to our reporters. Just suppose we could count on getting replies from every reporter who gets a schedule. That would mean we could save the printing and handling costs on

two-thirds to three-fourths the number of schedules usually sent out and still have as good returns as we now have. But we started out to say we wanted to improve, so let's say we need twice as many reports as we get now. Again, if we could count on every reporter filling in and returning his schedule, we could get twice as many reports and still save a third to half of our mailing costs. Well, of course, it's just too much to expect that everybody's going to be able to turn in his report every time. So let's say we could count on three-fourths or two-thirds. That would still mean we could make quite a little saving in our mailing operation. Furthermore, it would mean we wouldn't have to pester you fellows with second and third requests. These follow-up requests also cost money, you know.

So, if you folks really mean it when you say you want more accurate reports, and I know you do, you can go a long way in getting the kind of report you want if you will just help out by getting your schedule filled out and mailed back promptly to your State statistician.

Sincerely yours,
S. R. Newell, Chairman
Crop Reporting Board, BAE

Farmers Can Get Loans to Build Storage Facilities

EXTENSION of the Commodity Credit Corporation program providing loans to farmers to finance the construction or purchase of new farm storage facilities for grains and other storable crops has been announced by the U. S. Department of Agriculture.

The original loan program, initiated in June 1949, has been further extended and will be in effect through June 30, 1953. The loans are now available up to 80 percent

(previously 85 percent) of the cost of the structure, to any owner-operator, tenant, landlord, or partnership of producers wishing to erect a facility which will meet requirements for eligible storage under the price support program.

The program has been extended for another year for the purpose of increasing farm storage space and of easing the pressure on transportation facilities.

Extension of the program also gives farmers financial help in expanding farm storage at a time when steel for building more commercial storage may be tight. The program authorizes loans only on good, sound structures, but such structures can be built in part with on-the-farm lumber and out-of-season farm labor.

Loans will be payable in four annual installments (previously five installments), or earlier at the option of the borrower. The first installment shall be payable during the 12-month period beginning on the

first anniversary date of the disbursement of the loan. (Previously the first installment for all loans was scheduled to become payable at the end of January in each calendar year.)

Interest on loans will be at the rate of 4 percent a year, as heretofore. Loans will be available through local lending agencies or from Production and Marketing Administration County Committees. The farm storage facility loan program is available to producers of wheat, corn, oats, rye, barley, grain sorghums, soybeans, dry edible beans and peas, rice, peanuts, cottonseed, flaxseed, hay seeds, pasture seeds, and winter cover crop seeds.

As of May 30, 1952, a total of 29,898 loans of approximately \$34,357,000 had been approved for farm storage structures having an aggregate capacity of over 122,000,000 bushels.

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Averag[e] of reports covering the United States weighted according to relative importance of district and State]

Commodity	Average		July 15, 1951	June 15, 1952	July 15, 1952	Effective parity prices July 15, 1952 ²
	Base period price ¹	January 1947- December 1949				
Basic commodities:						
Cotton (pound)	cents	3 12.4	31.22	39.11	38.02	37.02
Wheat (bushel)	dollars	3 .884	2.14	2.05	2.06	1.98
Rice (cwt.)	do	1.98	5.38	5.23	5.60	5.55
Corn (bushel)	do	3 .642	1.64	1.63	1.73	1.73
Peanuts (pound)	cents	3 4.8	10.2	10.88	10.3	10.3
Designated nonbasic commodities:						
Potatoes (bushel)	dollars	4 1.12	1.60	5 1.16	3.10	2.74
Butterfat in cream (pound)	cents	26.7	71.2	68.8	70.5	71.8
All milk, wholesale (100 lb.)	dollars	1.68	4.42	4.31	4.37	4.55
Wool (pound)	cents	20.9	46.0	89.3	51.8	52.7
Other nonbasic commodities:						
Barley (bushel)	dollars	3 .619	1.37	1.17	1.24	1.31
Cottonseed (ton)	do	26.40	71.60	78.00	61.90	71.00
Flaxseed (bushel)	do	1.65	5.54	5 3.19	3.67	3.68
Oats (bushel)	do	3 .399	.852	.783	.781	.761
Rye (bushel)	do	.587	1.82	1.55	1.72	1.75
Sorghum, grain (100 lb.)	do	3 1.21	2.53	2.09	2.68	2.69
Soybeans (bushel)	do	1.00	2.84	2.86	3.02	3.00
Sweetpotatoes (bushel)	do	.902	2.36	2.19	5 4.36	4.46
Beef cattle (100 lb.)	do	7.36	20.20	29.00	26.70	26.00
All chickens (pound)	cents	11.3	29.3	28.1	24.7	26.0
Eggs (dozen)	do	3 21.5	46.6	46.6	35.7	43.3
Hogs (100 lb.)	dollars	7.49	21.90	20.50	19.40	20.00
Lambs (100 lb.)	do	8.09	21.90	30.20	25.80	25.50
Veal calves (100 lb.)	do	8.21	22.60	32.20	30.70	28.80
Oranges, on tree (box)	do	4 2.29	1.23	.91	1.35	1.20
Apples (bushel)	do	.991	2.39	1.93	3.01	3.13
Hay, baled (ton)	do	3 11.87	22.40	20.20	21.80	22.00

¹ Adjusted base period prices 1910-14, based on 120-month average January 1942-December 1951 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1909-July 1914.

⁴ 10-season average 1919-28.

⁵ Revised.

⁶ Transitional parity, 85 percent of parity price computed under formula in use prior to Jan. 1, 1950.

⁷ Prices received by farmers are estimates for the month.

⁸ Preliminary.

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Total income of industrial workers (1935-39=100) ²	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) ³	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Commodities	Wage rates for hired farm labor ⁴	Commodities, interest, taxes, and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average	58	50	100	100	100	100	100	100	100	100	100
1915-19 average	72	90	152	158	149	147	148	147	153	162	157
1920-24 average	75	122	221	160	159	181	168	159	163	121	140
1925-29 average	98	129	232	143	151	184	161	161	155	145	152
1930-34 average	74	78	179	107	117	121	124	105	94	83	91
1935-39 average	100	100	199	118	124	121	125	119	108	117	115
1940-44 average	192	237	315	139	148	211	152	169	145	166	162
1945-49 average	188	317	431	204	219	407	229	264	213	291	265
1950 average	200	369	516	236	246	425	255	247	181	340	278
1951 average 1951	220	425	566	263	271	470	281	284	226	411	335
July	212	420	560	262	271	475	282	272	222	414	332
August	217	426	561	260	271	—	282	277	231	416	336
September	218	429	571	259	271	—	282	283	247	411	337
October	218	425	570	260	272	476	283	294	247	410	340
November	219	426	575	260	274	—	284	305	249	387	332
December	218	435	587	260	273	—	284	314	233	379	328
1952	221	429	584	254	275	498	287	316	200	376	320
January	222	5430	584	253	276	—	288	317	181	377	317
March	221	5433	586	252	275	—	288	305	177	372	310
April	216	422	574	251	276	510	289	291	180	372	306
May	211	422	578	251	276	—	289	281	175	394	313
June	203	—	—	250	273	—	286	277	181	380	306
July	—	—	—	273	—	506	286	286	208	376	312
Index numbers of prices received by farmers (1910-14=100)											
Crops											
Year and month	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops	All crops and live-stock	Parity ratio ⁵	
1910-14 average	100	100	100	100	100	100	—	—	100	100	100
1915-19 average	193	161	183	175	201	126	—	—	171	164	111
1920-24 average	147	125	189	197	155	157	152	162	150	89	92
1925-29 average	141	118	169	150	135	146	145	143	143	148	92
1930-34 average	70	76	117	77	78	98	104	84	88	71	86
1935-39 average	94	95	172	87	113	95	95	99	99	107	86
1940-44 average	123	119	241	138	170	150	164	145	154	101	109
1945-49 average	222	205	377	240	289	216	206	234	250	109	109
1950 average	224	187	402	280	276	200	185	232	256	100	100
1951 average 1951	243	220	436	335	339	193	239	264	302	107	107
July	236	213	438	329	317	175	204	252	294	104	104
August	234	215	430	291	294	207	181	244	292	104	104
September	233	216	423	283	258	201	161	239	291	103	103
October	239	219	445	304	296	188	171	247	296	105	105
November	249	224	424	345	307	172	249	267	301	106	106
December	253	233	440	339	309	177	331	280	305	107	107
1952	251	234	431	325	303	171	337	277	300	105	105
January	249	230	436	313	296	168	217	259	289	100	100
February	251	229	435	309	284	176	265	265	288	100	100
April	250	229	435	313	279	179	308	272	290	100	100
May	245	227	436	303	280	190	285	270	293	101	101
June	238	226	437	319	289	220	250	277	292	102	102
July	230	327	436	311	307	214	287	276	295	103	103

¹ Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on payrolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised January 1950. ³ Bureau of Labor Statistics.

⁴ Farm wage rates simple averages of quarterly data, seasonally adjusted.

⁵ Revised.

⁶ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of price for all farm products, largely because parity prices for some products are on a transitional basis. ⁷ 1924 only.

Tours Arranged for Grassland Delegates After Penn State Meet

OUR tours will be conducted largely for the benefit of foreign participants in the 6th International Grassland Congress, after the formal sessions which are to be held at the Pennsylvania State College, August 17-23.

Grassland specialists will see samples of research in grassland farming as well as their application under conditions similar to those in their homeland.

The tours (Aug. 24-Sept. 7) will cover Midwestern, Northeastern, Southern, and Western United States.

No Peace Until Food Needs Are Met Dodd Declares

U. S. Renews Pledge to Produce

MEETING the need for food as a step toward peace in the world was emphasized by Director-General Norris E. Dodd as the Council of the Food and Agriculture Organization of the United Nations began its fifteenth session in Rome.

"People are desperate, over the larger part of the world, for food," Dodd said, "and we are not going to have peace until this need is met."

Assistant Secretary of Agriculture Knox T. Hutchinson relayed a message from Secretary Charles F. Brannan asking that the 68 member governments have their attention called to the pledge they have made "to maximize their efforts in food production and conservation to the end that food production will increase at a greater rate than the population growth over the next 5 years."

Hutchinson told the group that the United States "is mobilizing all available resources in this great campaign,"

and that he had been authorized by the President of the United States "to report to you that he has instructed all United States agencies dealing with our technical cooperation programs on food production and conservation to cooperate fully with FAO and to give the maximum support to cooperating governments."

UNITED STATES
DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

DEPARTMENT OF AGRICULTURE
PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(GPO)

